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C O N F I D E N T I A L SECTION 01 OF 02 AMMAN 001176

SIPDIS

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TAGS: [PREF](#) [ELAB](#) [KPAL](#) [JO](#)

SUBJECT: UNRWA WORKERS IN JORDAN STAGE ANOTHER STRIKE OVER
PAY

REF: A. 08 AMMAN 2928

[1](#)B. 08 AMMAN 1032

Classified By: Ambassador R. Stephen Beecroft
for reasons 1.4 (b) and (d).

[1](#)1. (C) UN Relief and Works Agency (UNRWA) employees in Jordan went on strike from May 12 to May 15 to demand pay increases to compensate for the decline in the value of UNRWA's pension funds. UNRWA Jordan's already tight operational budget will be trimmed further in the coming year and may force the agency to reduce services. UNRWA's deficit is an increasing cause of concern for the Jordanian government, which fears it will be forced to pick up the slack if services are cut. End Summary.

UNRWA Employees Strike

[1](#)2. (SBU) Unions representing over 7,000 UNRWA employees staged a three-day strike from May 12 to May 15. The unions are demanding a wage increase to mitigate the impact of inflation and match recent increases in Jordanian government salaries. (Note: A recent UNRWA wage survey found that many of the agency's employees are paid better than their counterparts in the Jordanian government, even with recent wage hikes. End Note.) The strike forced the closure of UNRWA schools and resulted in reduced services in health centers across the country. It is only the latest in a string of labor-related problems for UNRWA in Jordan, which has faced periodic walkouts and strikes from labor unions for over a year (Ref B).

[1](#)3. (SBU) Working-level contacts within UNRWA tell us that the ongoing series of strikes and walkouts are not just a reaction to inflation. UNRWA staff unions are also demanding agency management compensate for losses in the pension fund, which faced steep declines in 2008/2009 due to the impact of private sector pyramid schemes which collapsed en masse in late 2008 (Ref A). The strikes are also less about pay comparability than they are about the need for many UNRWA employees to pay off the debts they accumulated as a result of the scandal.

[1](#)4. (C) In an attempt to diffuse tensions and prevent UNRWA's labor problems from spreading to other sectors, Jordan's government is intervening directly with union leadership. Heads of the UNRWA unions for teachers, manual laborers, and general services workers were summoned to the Department of Palestinian Affairs following the strike and told that the government "would have to act" to prevent further walkouts.

The Funding Gap

[1](#)5. (C) UNRWA's labor troubles in Jordan reflect the agency's chronic lack of funding. UNRWA Jordan's Director of Operations Richard Cook has repeatedly told poloff and other visitors that the unions fail to appreciate the basic inability of UNRWA to offer them any kind of wage increase in

the current fiscal environment. UNRWA Jordan fared relatively well compared to the other offices during a recent agency budget allocation, but still expects to operate with a USD 16 million budget deficit in 2009. Cook has told the unions that his door is open to them for discussion, but that there is no room in the budget for any wage increases.

16. (C) Beyond the labor woes that wage freezes have created, UNRWA's deficit will shortly start to impact service delivery. Cook said that UNRWA is considering the reduction of administrative costs by converting food aid into direct cash transfers to the refugees. He also noted that the agency would be forced to reduce hospitalization benefits. UNRWA intends to focus on its core mandate of providing primary health and education to Palestinian refugees while continuing "human development" initiatives, such as vocational training programs.

17. (C) Realizing that an anemic UNRWA budget may cause Palestinian refugees to rely instead on Jordanian government services, the Department of Palestinian Affairs (the MFA-linked directorate in charge of relations with UNRWA) is starting to take notice of the agency's declining finances. During an April 28 meeting with DPA's head Wajeih Azaizeh, both Cook and UNRWA Director-General Karen Abu Zayd were told that "budget proportionality" between the agency's operations in Jordan and other fields is an increasing concern for the Jordanian government. In a subsequent meeting with Cook in mid-May, Azaizeh became angry when presented with the smaller than expected UNRWA Jordan budget. Azaizeh is now threatening to withhold Jordanian participation in the upcoming Advisory Committee meeting in protest of what he

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sees as a short-changing of the needs of refugees living in Jordan.
Beecroft